EXHIBIT 3B 4
DATE 1-18-07
HB 2

Concerns about the DDP Central Office and Rate Redesign

Rate Redesign Project:

- We all agree a rate system is necessary to protect utilization of medicaid money in services .
- The proposed model is complicated, time intensive, and difficult to implement. There are other ways to achieve rate equality without the chaos and uncertainty this model has created.
- Decisions, not only about the rate project, but about all issues facing DDP, change daily without consistent communication to all providers, DDP staff, and consumers.
- DDP has had a very high rate of turnover, resulting in few staff with experience remaining in the Developmental Disabilities Program. This lack of knowledge has created lack of confidence in the central office administration and their ability to maintain the DD community-based system.
- Schedules for meetings are changed constantly, or held on very short notice with little regard for other's work loads.
- Information requested by the central office of providers is requested on short time lines. The request is so quick and poorly thought out, the information is not collected consistently across providers and proves to be of little use.
- The consulting firm and central office have set time lines, but do not follow through. Instructions about how to proceed are nonexistent, even when requested.
- Policies come from DDP on an erratic, crises driven basis, requiring immediate implementation. They are constantly revised with the revisions following without any training on the first policy. The adopted policies are not in sync with the Administrative Rules. Providers have asked for a packet of current policies, however, the applicable policy packets have not been sent.
- Concerns or questions by phone or in writing are seldom addressed unless the document has been sent to the Department Director or the Governor's Office.

Children's Rate Issues:

- The adult rate redesign system model is being placed as a framework for children's service rates as well. There are many differences between adult services and children's services. Children's services are home based, adult services are center based . Children's services are preventative and family centered, adult services are primarily long term care. The same model does not work for both service types..
- We were told that children's service rates were benchmarked to Montana Special Education Teachers. When reviewing the data presented in the project, we found the data incorrect, and far lower than actual. When we presented our findings to DDP and the project consultant, it was ignored.
- Children's providers collected data on the benchmarks for case management as DDP claimed that 80% of the Family Support Specialist position was case management. This study also revealed that the hourly wage paid for other state case management positions was higher than the rate proposed by DDP.

OVER ➜

- Children's service providers have initiated an additional survey to determine what percentage of the Family Support Specialist position is case management versus family support . The first month's data shows that less than 25% of the position is traditional case management duties. All other duties were tied to the family support position.
- Children's program providers have asked several times for a separate waiver that would deal only with kid's and families. We have offered to write the waiver. The DDP continues to reject this offer.
- Children's providers have hired a nationally known waiver consultant to advise us how to produce an equitable rate system and meet CMS requirements without sacrificing our system values. He advised us that a separate waiver for children where programmatic concerns drive the service and the rate did not drive the service was possible. DDP refuses to look seriously at this option.
- I-149 monies were allocated by the 2005 Legislature to assist in minimizing the negative effects of the rate redesign project. That money was allocated utilizing inconsistent data and around the number of direct service staff. The results were that agencies that could afford to hire more staff before the project was started were given more money. Agencies that were always under funded and operated with fewer direct care staff were given less. The outcome? The rate disparity increased.

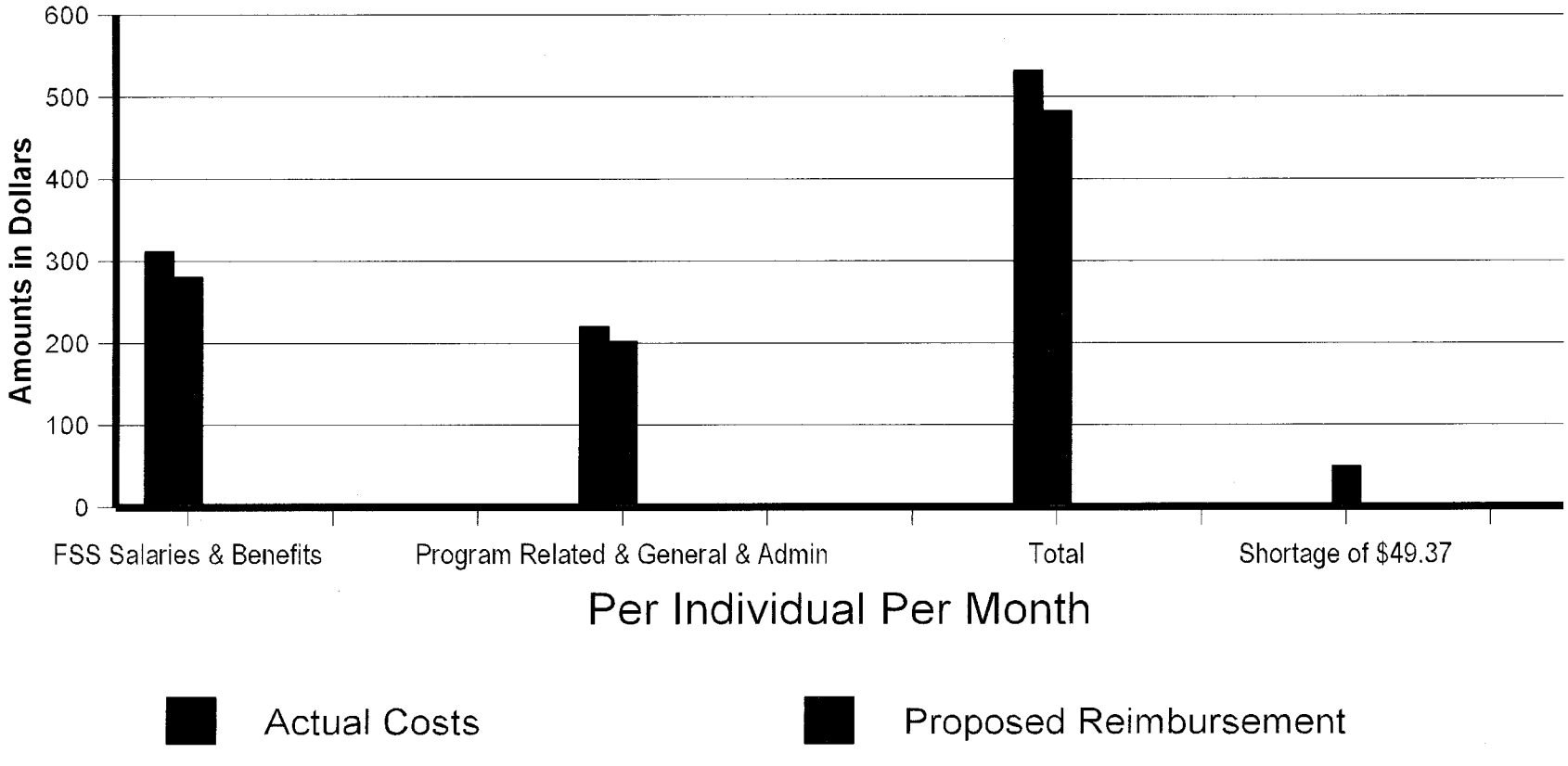
The ***bottom line*** for children's services under the current proposed structure:

- ✔ Our caseloads will increase.
- ✔ Our practice will be driven by the billable unit and not the needs of our consumers.
- ✔ Our family centered values will no longer be the framework for our service.
- ✔ Many things we previously provided that added quality and satisfaction for consumers will not be able to continue, such as, respite houses, summer programs, and parent support groups.

Child Development Center, Inc. (CDC)

Family Support Coordination

CDC Currently Serves 81 Individuals Per Month



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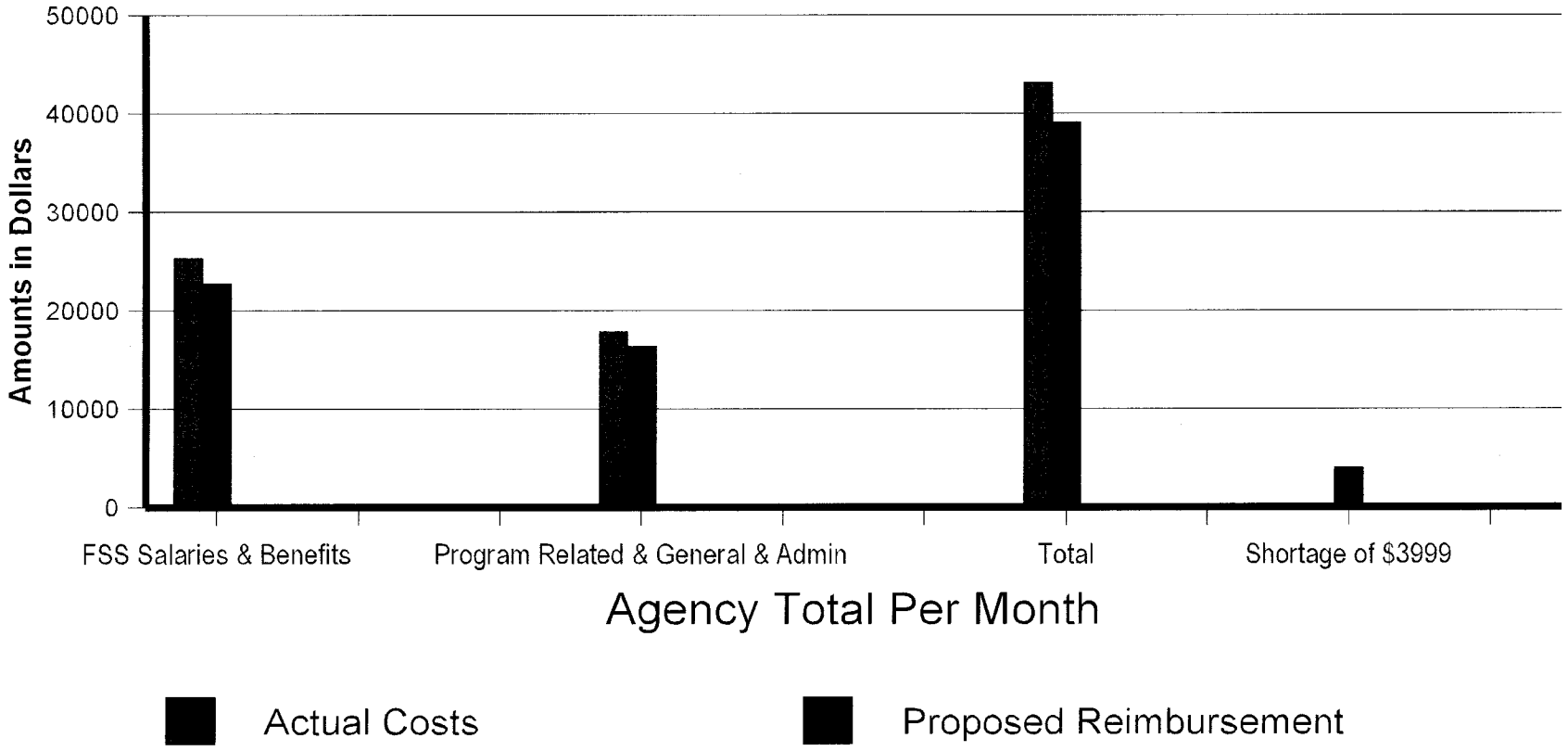

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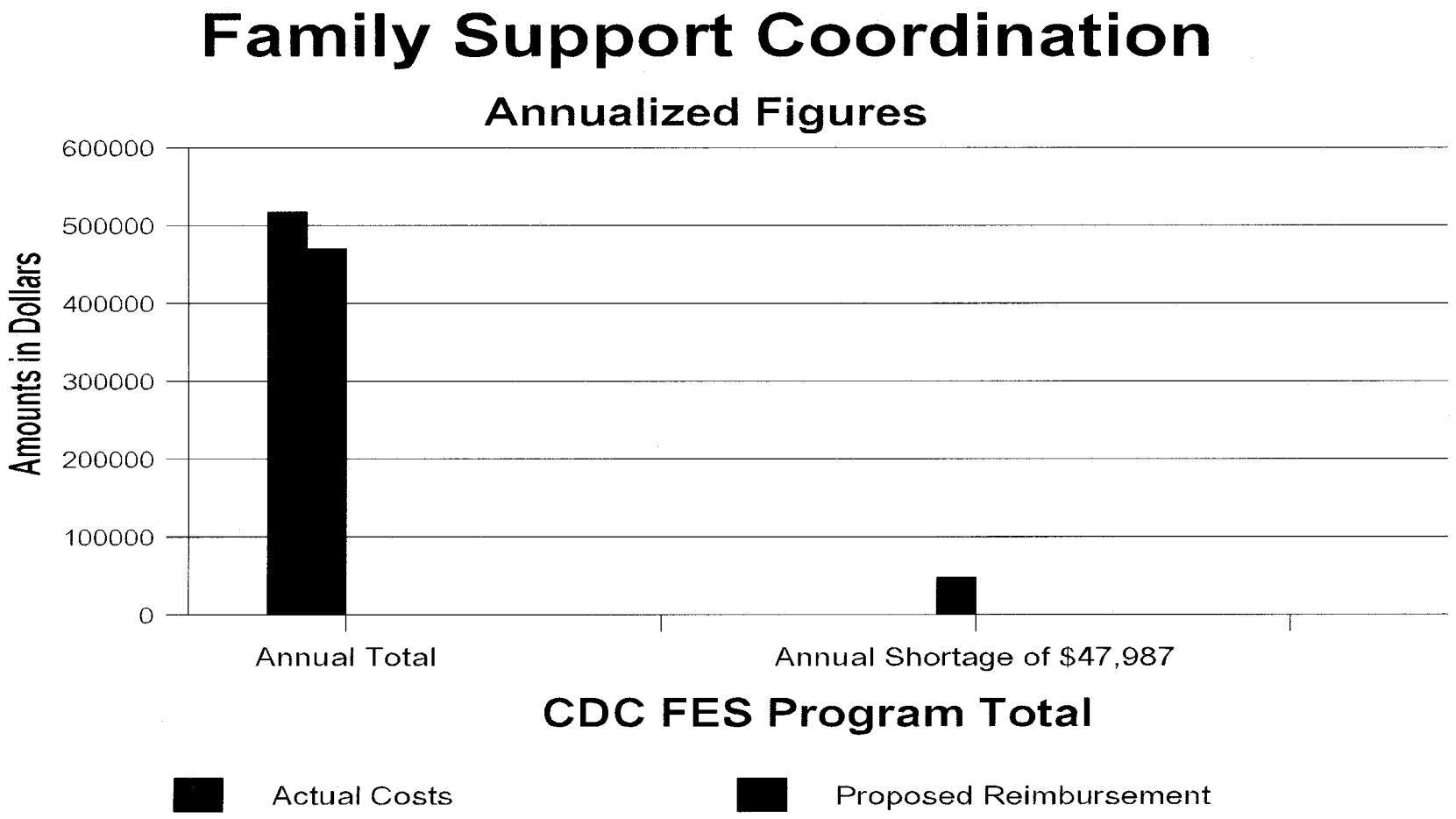

Request for Funds to Support FSS Position

1. The following Montana data was taken from statistics by the U.S. Department of Labor:

   - The annual median salary for Preschool & Elementary Special Education Teachers (US Dept. Of Labor, MT Occupational Code #25-2041) in Montana was $33,590.

   - $33,590 divided by 187 contract days, divided by 8 hours = $22.45/hour.

   - Utilizing the Davis Deshais benchmark of the median teacher's salary, and their formula for benefits, program related, and general administration, the following hourly rate would apply:

     $22.45 x 1.4224 + $22.45 = $54.38/hour.

2. The lowest case management rate in Montana is $40.00/hour. The Davis Deshais group quoted $36.67/hour.

3. The three month time study completed in the summer of 2006 and compiled by Davis Deshais, showed that the FSS spent an average of 13.2 hours serving each family on the waiver.

4. The first month's data of a time study to determine what percentage of the 13.2 hours per month of a Family Support Specialist's time was spent on teaching and how much time was spent on case management, revealed that less than 25% of the FSS's time was spent on case management duties, while 75% of their time was spent on teaching duties.

5. The following shows the combination of 9.9 hours per month spent on teaching activities and 3.3 hours spent on case management tasks.

9.9 hours x $54.38	=	$538.36
3.3 hours x $ 36.67	=	$121.01

   Total = $659.37 per month/per individual